

AMENDED IN SENATE MAY 8, 2013
AMENDED IN SENATE APRIL 4, 2013

SENATE BILL

No. 699

Introduced by Senator Hill

February 22, 2013

An act to add Section ~~769~~ 586 to the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

SB 699, as amended, Hill. Electricity: electrical corporations: ~~distribution system costs report. reporting.~~

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. The Public Utilities Act ~~authorizes the commission to ascertain and fix just and reasonable standards, classifications, regulations, practices, measurements, or services to be furnished, imposed, observed, and followed by specified public utilities, including electrical corporations.~~ *requires each public utility to furnish such reports to the commission at such time and in such form as the commission may require and in those reports the utility is required to specifically answer all questions propounded by the commission. The act authorizes the commission to require any public utility to file periodic reports concerning any matter about which the commission is authorized by any law to inquire or to keep itself informed, or which it is required to enforce.*

This bill would require ~~the Public Utilities Commission to require each electrical corporation to annually file with the Public Utilities Commission an electrical distribution report on the utility's electrical distribution grid infrastructure costs incurred during the prior year. The~~

~~bill would require the Public Utilities Commission, in consultation with the State Energy Resources Conservation and Development Commission, the Independent System Operator, and other key stakeholders, as determined by the Public Utilities Commission, to determine the specifications of the electrical distribution report to ensure that the report provides sufficient detail for stakeholders to evaluate the degree to which the incurred costs achieve specified policy objectives.~~
an electrical corporation to annually report to the commission capital expenditures included in the distribution category of the electrical corporation's ratebase for each project. The bill would require an electrical corporation to report all interconnection costs charged to the customer for each interconnection agreement to interconnect distributed energy resources.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the Public Utilities Commission is a crime.

Because the provisions of this bill are within the act and require action by the Public Utilities Commission to implement its requirements, a violation of these provisions would impose a state-mandated local program by creating a new crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. *The Legislature finds and declares all of the*
- 2 *following:*
- 3 (a) *Distributed energy resources, including distributed*
- 4 *generation, can reduce emissions of greenhouse gases, reduce*
- 5 *criteria air pollution, reduce water consumption, increase grid*
- 6 *reliability, localize power generation, and decrease reliance on*
- 7 *large, polluting generation facilities.*
- 8 (b) *The Legislature has established programs and policies to*
- 9 *support the commercialization and growth of distributed generation*
- 10 *technologies, including the California Solar Initiative, combined*

1 *heat and power feed-in tariffs pursuant to the Waste Heat and*
2 *Carbon Emissions Reduction Act, the self-generation incentive*
3 *program, and the renewable market adjusting tariff.*

4 *(c) A central impediment to increased proliferation of distributed*
5 *energy resources is a lack of transparency in current utility*
6 *infrastructure investments in the distribution grid and in the costs*
7 *and process associated with interconnection to the utility grid,*
8 *costs that are ultimately born by ratepayers.*

9 *(d) Transparency on what distribution grid investments have*
10 *been made will allow policymakers and stakeholders to better*
11 *understand and evaluate what types of distributed energy resources*
12 *may be more cost effective and better serve the grid and ratepayers*
13 *for future investments.*

14 *SEC. 2. Section 586 is added to the Public Utilities Code, to*
15 *read:*

16 *586. (a) For capital expenditures included in the distribution*
17 *category of the electrical corporation's ratebase, the electrical*
18 *corporation shall annually report expenditures for each project,*
19 *including all of the following:*

20 *(1) The total dollar amount.*
21 *(2) The type of equipment installed.*
22 *(3) The purpose of the expenditure.*
23 *(4) Whether or not the installations affect the interconnection*
24 *and management of distributed energy resources.*

25 *(b) For each interconnection agreement executed with customers*
26 *that interconnect distributed energy resources, the electrical*
27 *corporation shall report all interconnection costs charged to the*
28 *customer.*

29 *SECTION 1. Section 769 is added to the Public Utilities Code,*
30 *to read:*

31 ~~*769. The commission, as part of an existing proceeding and*~~
32 ~~*using existing resources, shall require each electrical corporation*~~
33 ~~*to annually file with the commission an electrical distribution*~~
34 ~~*report on the utility's electrical distribution grid infrastructure costs*~~
35 ~~*incurred during the prior year. In consultation with the Energy*~~
36 ~~*Commission, the Independent System Operator, and other key*~~
37 ~~*stakeholders, as determined by the commission, the commission*~~
38 ~~*shall determine the specifications of the electrical distribution*~~
39 ~~*report to ensure that the report provides sufficient detail for*~~

1 stakeholders to evaluate the degree to which the incurred costs
2 achieve the following policy objectives:

3 (a) ~~Electrical distribution investments should be made in a~~
4 ~~manner that maximizes the benefits and minimizes the long-term~~
5 ~~costs to ratepayers in the achievement of state goals for the~~
6 ~~deployment and integration of cost-effective distributed resources~~
7 ~~and generation.~~

8 (b) ~~Electrical distribution planning should reflect the presence~~
9 ~~and benefits of distributed resources and generation.~~

10 (c) ~~Electrical distribution investments should be made in~~
11 ~~locations that best support the optimal deployment of cost-effective~~
12 ~~distributed resources and generation.~~

13 (d) ~~The full costs of installation and interconnection of~~
14 ~~distributed resources and generation, including construction, fees,~~
15 ~~tax liabilities, and maintenance charges, should be minimized.~~

16 (e) ~~Investments in one-way voltage regulating devices, or in~~
17 ~~other grid control or quality devices, that are intended to only~~
18 ~~regulate voltage in one direction should be minimized or avoided.~~

19 (f) ~~Electrical corporations should examine the potential use of~~
20 ~~distributed resources and generation as part of each utility's plans~~
21 ~~to upgrade and or improve the stability and reliability of its~~
22 ~~distribution system.~~

23 ~~SEC. 2.~~

24 *SEC. 3.* No reimbursement is required by this act pursuant to
25 Section 6 of Article XIII B of the California Constitution because
26 the only costs that may be incurred by a local agency or school
27 district will be incurred because this act creates a new crime or
28 infraction, eliminates a crime or infraction, or changes the penalty
29 for a crime or infraction, within the meaning of Section 17556 of
30 the Government Code, or changes the definition of a crime within
31 the meaning of Section 6 of Article XIII B of the California
32 Constitution.